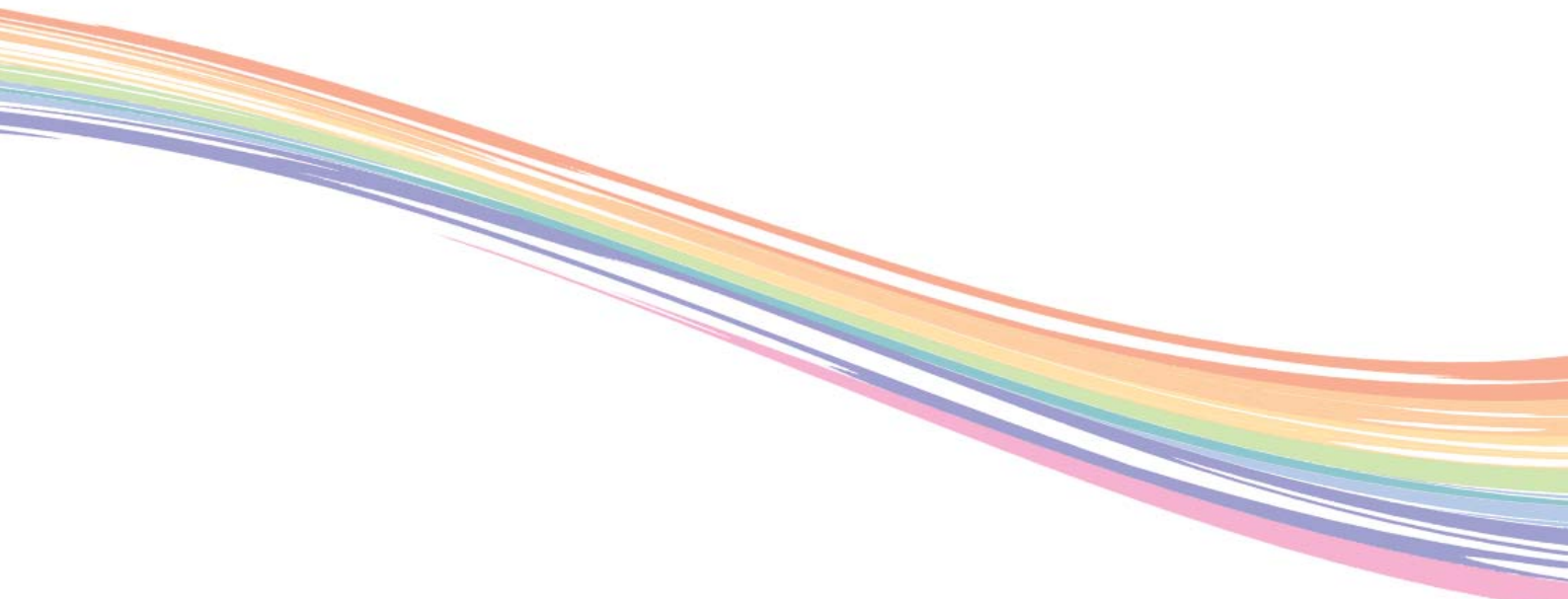


# Web 2.0 – More than Social Networking



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## Management Overview

Web 2.0 was meant to revolutionise the way people interact both at home and at work. Yet to date the technology appears to be firmly ensconced in the consumer marketplace where individuals are now highly familiar with the ease of collaboration via Facebook and the value of wikis and blogs.

Just how receptive is the corporate market to this new way of working? For the last 10 years technology has done little more than replicate the working practices of the past 30 years, simply adding speed and convenience. But users now want and need to see this consumer Web 2.0 style technology deployed in the corporate workspace to improve productivity, collaboration and information sharing.

But are businesses buying in to the concept of the new office environment based upon less hierarchies, team oriented working and cross functional contribution? Are they attracted by opportunities for interacting online with customers and suppliers? Do they understand the potential cost savings associated with web based technology delivery that drives out the need for desktop based applications, hence reducing support and maintenance costs?

Or is the continued media focus on Web 2.0's role as a consumer facing tool undermining its corporate credibility?

Web 2.0 – More than Social Networking is a research study that looks at current levels of Web 2.0 adoption and understanding across the UK. On behalf of Parity, Bournemouth University asked businesses whether or not they had invested in Web 2.0, and the business reasons behind the decision making.

The results reveal endemic misunderstanding and misperception amongst both senior managers and IT personnel that has deterred investment. Indeed, only one

third of businesses have made any investment in Web 2.0 and the majority of these have done so to attain tangible benefits from enhanced content management rather than embrace the benefits of collaborative working that Web 2.0 can deliver.

As a result, for the first time, the use of professional technology at home is far outstripping that in the office. Given the much lamented information overload being experienced in offices across the UK, it is time for the IT industry to ask why so few organisations understand the role Web 2.0 can play in transforming working practices.



## Resistance to Change

Over the past decade, the Internet-led information explosion has transformed working practices. Yet whilst the 24x7, always available culture is now endemic, standard business processes still rely predominantly on individuals working alone. Whilst information sharing may today be far more timely, few organisations have truly evolved towards effective collaborative working either internally or with partners, customers and suppliers.

Furthermore, organisations are overwhelmed by the explosion in unstructured data, from web and Instant Messaging to text and emails. There is a very clear need to understand how this data can be transformed into valuable information, how the dispersed user base can operate effectively and which areas of the business would benefit most from increased collaboration.

Yet, whilst businesses continue to wrestle with poor information sharing and a lack of viable collaboration, at home individuals are happily collaborating online via social networking sites. They want to replicate this rich personal experience within the working environment to break down operational boundaries.

So why are more organisations not proactively looking to implement solutions that enable the vision of true collaborative working?

There appears to be huge cultural resistance to operational change. Much has been written about Adhocracy, a form of decentralisation and an alternative to the bureaucratic organisation. Amazingly, academics such as Mintzberg, as far back as 1979 were talking about 'work constellations'. Yet most organisations are used to managing processes through hierarchical structures – are they ready to embrace a Web 2.0 environment that can break these down into more fluid structures where the division of labour is networked depending on skill?

Adhocracy is a type of organisation being an opposite of bureaucracy. The term was first popularised in 1970 by Alvin Toffler, and has since become often used in the theory of management of organisations (particularly online organisations), further developed by academics such as Henry Mintzberg.

*Wikipedia*

According to the Parity research, almost one third of respondents (32%) currently use Web 2.0 within their organisations. Of the rest, the primary reason for not using Web 2.0 is Senior Management's lack of understanding of the business benefits associated with embracing these technologies (47.1%). This problem is exacerbated by IT's open admission of a lack of understanding about Web 2.0 (32.4%).

Adhocracy is "any form of organisation that cuts across normal bureaucratic lines to capture opportunities, solve problems, and get results."  
*Robert H. Waterman, Jr.*



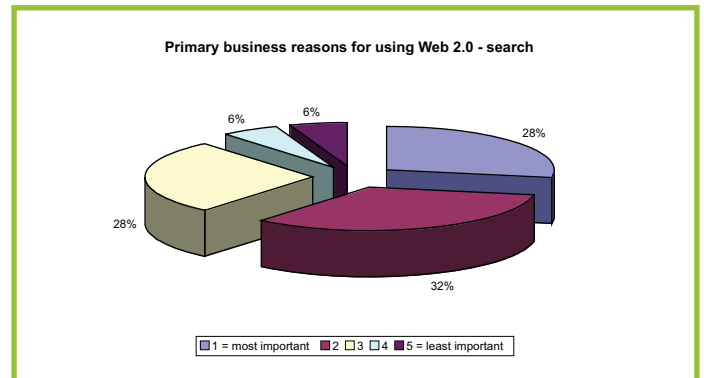
In fact, the responses to why Web 2.0 has not been adopted were extremely robust. These include:

*“Entirely irrelevant to our business. As a retailer there are no clear tangible hard benefits (or studies to identify benefits) to implement Web 2.0 technologies either for our customers or internally.”*

*“It’s a nebulous concept of little perceived value to us at the moment.”*

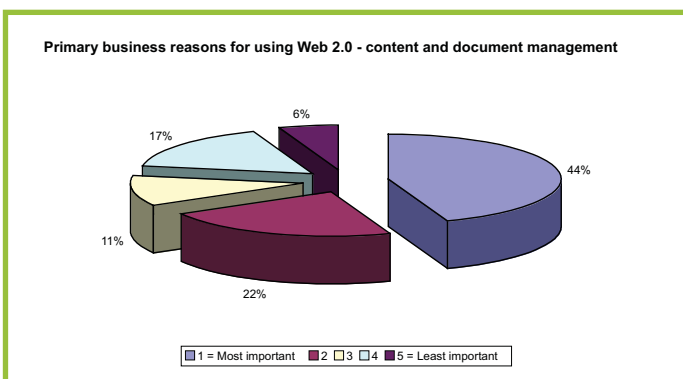
*“This is not appropriate at present to our business model as a Foundation Trust Hospital.”*

These responses demonstrate more than a lack of understanding; they indicate a very strong negative perception about the role Web 2.0 can play within organisations. These companies are not simply postponing adoption until budgets are available or timing is right; they are fundamentally dismissing the entire technology.



This is, or should be, a major concern for an IT industry that is increasingly backing Web 2.0 for the future. From application vendors onwards, the industry is fast developing a range of solutions that leverage the web based delivery model to reduce the desktop software overhead and exploit Web 2.0’s rich media functionality.

Add in the other major concern about the role of Web 2.0, namely the 41.2% of respondents that cite security as a key issue, and the expected wave of new, web based technology adoption could be short lived.



## Dispelling Myths

So where is this confusion coming from? This technology is far from complex – as its widespread consumer adoption attests. New Web 2.0 office tools enable the creation of websites that support content publishing, content management, records management and business intelligence. They also offer powerful search features, enabling organisations to search across valuable structured and unstructured data sources, including email.

Critically, they have been designed with collaborative working at the heart. In addition to facilitating Web 2.0 features such as wikis and blogs, content can be distributed across various channels. Furthermore, file sharing features such as document history, comments, discussion and alerts, as well as advanced search, are standard.

The inclusion of configurable approval workflow processes supports the information management process cycle, taking

information from its raw state through authoring, amending and publishing – roles undertaken effectively by multiple individuals within a secure, audited and tracked environment.

Furthermore, security concerns, while being fuelled by huge amounts of media speculation and scaremongering are overstated. The prospect of user generated content and more openness in organisations is clearly causing concern, as is the additional vulnerability caused by offering web based collaboration with customers and suppliers.

However, standard security practices still apply and technology exists to impose control, limit information views to authorised personnel, protect document libraries and provide a full audit trail. As long as security is built into the development process, the collaborative environment can be inherently secure, whether within or outside the corporate firewall.

### Capacitybuilders

Web 2.0 technologies are already delivering tangible benefits in enhanced information sharing, especially across distributed organisations. Established in April 2006 to manage the £70million ChangeUp programme, Capacitybuilders' remit is to help to develop the infrastructure for voluntary and community organisations. This includes physical facilities, systems and relationships, as well as the people, knowledge and skills needed to provide services to local communities.

With a highly distributed workforce, Capacitybuilders needed to be able to store and distribute information to all their staff in a consistent manner irrespective of location. Using Web 2.0 technology, Capacitybuilders is

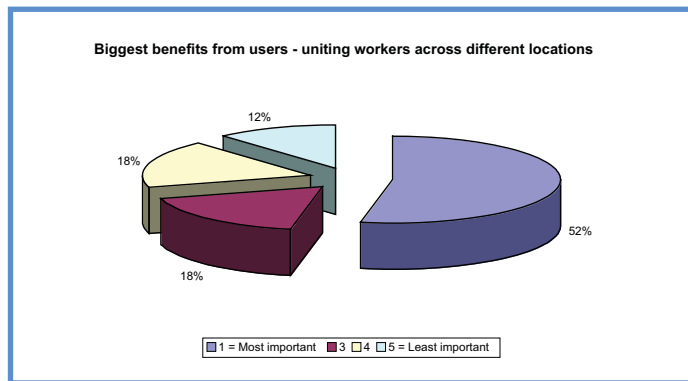
already seeing the benefits of improved communication throughout the organisation. Gilbert George, Director of Resources and Planning, Capacitybuilders, says, "As we load more content and information onto the intranet, it will become an increasingly valuable resource that can help us all work together more effectively."

In the future, the organisation will deploy a CRM and grants management solution which will also enable multiple staff to work together on campaigns or events to target VCOs and further improve communication throughout the organisation and the services delivered to Capacitybuilders' clients.



## Benefit by Default

Yet even where Web 2.0 has been adopted, only a small number of these companies have actually responded to the marketing message of vendors, namely the benefits of collaboration, process change and streamlining systems (11%). Instead, the primary business reasons for the technology's adoption are content and document management (44%), followed by search (27.8%).



This would suggest that the majority of organisations are simply buying what they perceive to be the latest document management and search technologies, rather than adopting an entirely new way of working that can transform business practices.

The good news, however, is that when it comes to assessing the benefits derived from the implementation of Web 2.0, the initial objectives of the implementation barely score. Indeed content and document management are cited by less than one fifth (16.7%) and search 11.1%. In fact, the biggest benefits being derived from Web 2.0 are around the way workers interact with each other. Over half of respondents cited working together more efficiently (55.6%) and uniting workers across different locations

(52.9%), whilst 50% rated more openness in the organisation.

These results demonstrate that the very nature of a Web 2.0 implementation will ensure collaborative benefits are attained by default. Simply providing a Web 2.0 based document and content management system enables users to work together in teams, collaborate on content production and effectively streamline processes in a way that enables fundamental changes across an organisation.

Yet it is clearly apparent that businesses cannot justify the investment in Web 2.0 on such intangible measures, opting for the tangible content management and search options instead. Organisations are simply not prepared to buy in to the concept of an open, collaborative working environment, either through misunderstanding or disbelief in the potential benefits.



Indeed, many of the actual benefits cited by Web 2.0 users were not part of the initial business case. These include:

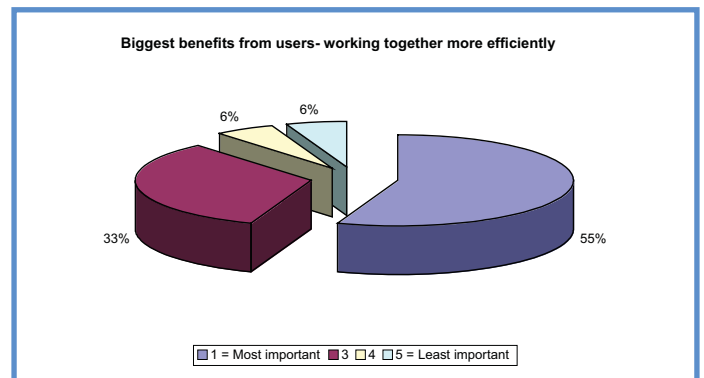
*“Administration of IT Infrastructure has become easier to manage due to enabling users.”*

*“The use of a web front end on rich applications allows good portability.”*

*“We're better at communicating.”*

*“We have improved our marketing to our target audience.”*

Whilst these benefits will deliver business value, it is intangible. Creating a return on investment based on the expected benefits of improved communication or enhanced collaboration is impossible. So just how is the industry to overcome this challenge and achieve a far more widespread understanding of the benefits of Web 2.0?



#### Ofgem

Ofgem wanted to redevelop their website to provide better services to their customers and improve the efficiency of how they published content to the web. They also wanted staff to gain the benefit of using a new intranet that would enable them to efficiently share documents and information and collaborate more effectively. Ofgem were also looking to promote better communication and knowledge sharing between their staff and the most efficient way to do this was through redeveloping their intranet to meet these needs.

Implementing a Web 2.0 solution, Ofgem's users are now able to find the information they are looking for more intuitively as well as providing a fast and comprehensive search facility that retrieves relevant information quickly. Ofgem is streamlining the web content and document publishing processes and can now electronically track the decision making process.

The end result is that everyone can find the information and navigate around the website far more effectively and Ofgem feel there is no doubt that SharePoint 2007 will underpin the organisation's effectiveness going forward.



## Achieving the Vision

This research makes it patently clear that simply selling Web 2.0 as a collaborative technology for sharing information and generating user content is not engaging senior management when it comes to developing strategies to create business efficiencies and for IT investment decision making.

It is high time that IT suppliers start talking in everyday language that reflects business needs and expectations. Businesses are not inherently opposed to collaboration; certainly when it occurs by default, the benefits are considered to be great. However, as a primary reason for changing the IT architecture, collaboration is seen as a frivolous benefit destined to be more appropriate for the HR department.

In fact, Web 2.0 now enables organisations to deliver on the vision laid out by academics for over 30 years, with a division of labour based on situational expertise, an absence of hierarchy, and a strong achievement ethic. In the 'adhocratic' organisation, work methods can be driven by the nature of the task and take the form of ad hoc problem solving that draws upon acquired knowledge and skills. In Web 2.0 this is enabled by discussion forums, Blogs, RSS feeds and Wikis.

The vision of adhocracy is being delivered by default; as organisations increasingly embrace flexible and distributed working practices and cooperation with partner organisations, the desire and opportunity for fast, effective yet secure collaborative working is growing. People are no longer working in isolation; huge structured and unstructured information resources are dispersed across the business and must be harnessed to deliver corporate value via secure sharing and collaboration.

Web 2.0 based technologies allow the rapid and cost effective achievement of that vision. But successful realisation will demand a true understanding of end to end business processes and information management.

The demand is clear and the solutions are not only in place but in widespread use, albeit outside the office community. If organisations globally are to truly embrace the next generation of working practices and evolve towards community based working, the IT industry has got to change its approach, its messaging and attitude. This product based 'collaboration suite' message is not hitting the mark, indeed it is clearly adding to the confusion and misconceptions in the marketplace.

Unless the industry wakes up to this problem and starts dispelling the myths, Web 2.0 looks set to remain a consumer-only tool – at a significant cost to business.

### Additional notes

For Henry Mintzberg, an adhocracy is a complex and dynamic organisational form. Mintzberg considers bureaucracy a thing of the past, and adhocracy one of the future. When done well, Adhocracy can be very good at problem solving and innovations and thrives in a changing environment. It requires sophisticated and often automated technical systems to develop and thrive.



## Company Profile

Parity is an IT and Business services organisation delivering technical, recruitment and training solutions to the UK and Irish markets.

We differentiate from our competitors through the high quality of the people who we employ and the service that they deliver. Our focus on these higher level IT and IT-related skills allows us to be masters of these domains and offer best in class services. Our company culture enables us to work with our clients and partners in a cooperative and collaborative way so delivering consistently better results.

Parity was one of the first companies to specialise in developing Web 2.0 based solutions for clients in the UK.



## Biographies

### Dave Conkleton – Managing Director, Parity Solutions

Dave Conkleton, 47, took on his current role as Business Unit Director of the Solutions business in February 2006, having joined Parity in late 2004 as Managed Services Director. He joined Parity from EDS, where he has served in a variety of senior roles from service delivery and project management through development and management of significant outsourcing relationships. David has 20 years experience in the IT services industry, with deep experience in Managed Services and Outsourcing with Energy, Telecommunications and Financial Services Industries. David's broad experience spans sales, business development and strategy planning for large scale IT engagements, with an emphasis on business and programme management and managing client relationships. He is responsible for the ongoing relationships of some of Parity's largest accounts.

### Rick Firth – Managing Director, Parity Training

Rick, 54, was appointed as Managing Director of Parity's Training business in October 2006. He has a track record of over twenty years experience of leading business units within major plc's and other organisations involved in the global education, training and publishing market. From an early career as an IT consultant and trainer, he has held a number of senior management and board positions. As a Board Director with the National Computing Centre (NCC), Rick was head of the consulting, training and sales and marketing divisions before gaining international experience as Managing Director of NCC Education, the European subsidiary of the global education and training provider Informatics.





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